
2004 BUDGET ASSUMPTIONS

Certain broad assumptions are determined which establish a basic foundation for building a budget. These general assumptions provide a framework to County staff, the County Executive and the County Board of Supervisors for setting priorities, determining service levels and allocating limited financial resources.

The following general assumptions are used in guiding the development of the County's 2004 budget.

- Overall inflation factor estimated for costs to continue existing services is projected for 2004 at a range from 1.7% to 2.9% depending upon the particular service or commodity. The major exceptions include energy and health insurance cost increases, prescription drug cost increases and Wisconsin Retirement contributions for protective service employees.
- The County Executive established as a goal for his proposed budget to manage a levy rate decrease, and a general tax levy increase limited to 2.6%, which approximates the property value growth associated with new construction in the County, excluding the levy required for the new shared dispatch services Communication Center operations. The new Communication Center operations requires \$1,759,482 of tax levy funding which is \$1,471,969 above the base 2003 budget amount and adds 1.9% to last year's total general tax levy.
- A 16% average health insurance premium increase made the 2.6% levy increase goal challenging. Additionally, the State's Budget bill, which stalled at the Conference Committee stage as the County budget targets were being established, included significant state shared revenue reductions and many unknown factors at the time making it very difficult to determine if certain state/federal revenues would be available to fund state programs run by the County.
- The proposed budget does decrease the tax levy rate for the 14th consecutive year as a combination of controlling discretionary expenditures and tax levy in the budget and a tax base increase of 9.23% resulting in a ten cent decrease in the rate from \$2.31 to \$2.21 per \$1,000 of property value. The general County tax levy increases about \$2.0 million, excluding the additional tax levy needed for the Communication Center shared dispatch operations.
- For 2004, due to the State's fiscal crisis, the County anticipated State funding reductions of \$2.0 million and caps on grant funded mandates, which will have to be absorbed. State shared revenue for mandate relief of about \$1.35 million will be eliminated and not be available to fund the Capital Projects budget. Additional, \$160,000 of Income Maintenance administration funding for the Economic Support program is reduced at a time when caseloads have grown significantly. The State department of Corrections has consistently under funded State inmate reimbursement to Counties for housing Probation and Parole holds, based on prior year reimbursements rates versus the Federal Marshall daily rate paid (the County's cost at \$65/day), the County is under funded by about \$128,000.
- The largest state discretionary funding source, Basic County Allocation (BCA) to Health and Human Service programs, will provide no increase to offset higher costs to continue existing service levels, which will result in a tax levy need of over \$850,000. The State Court Support Grant is not expected to increase resulting in additional levy need to run the State Circuit Court system.
- Register of Deeds charges for service revenues increase \$186,600 to reflect a \$148,500 increase in recording fees based on an estimated increase in recording volume. Revenues generated in excess of operating expenditures are targeted to total \$908,600, an increase of \$50,000 from 2003, which are used to reduce general government tax levy funding requirements.
- No increase in Investment income is budgeted in 2004 based on lower than expected 2003 rates of return.
- Debt borrowing costs are estimated to be about 5% on \$14 million planned (based on capital plan) ten year 2004 issue. The levy effort to fund the Capital budget will be slightly lower at 24.4% (\$400,000 less) at \$4.75 million, however, fund balance appropriations of \$6.3 million are to be applied. The Debt Service budget requires increased levy funding of almost \$500,000 for the new issue.
- The End User Technology Support fund continues to cover the total cost of personnel computer ownership including e-government web-based initiatives, network infrastructure equipment and support costs. Charges back to end user departments has been phased in beginning in 2001 (currently at 58% of full cost going to 71% of full cost in 2004). In this budget \$266,000 of additional tax levy funding is put into department budgets to help departments absorb higher charge backs. The Departments impact was limited to no greater than 3% more than their 2003 End User charge.